

Message Text

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ORIGIN OES-05

INFO OCT-01 EUR-12 ISO-00 ERDA-07 FEA-01 ACDA-10 CIAE-00

INR-07 IO-10 L-03 NSAE-00 NSC-05 EB-07 NRC-07 DODE-00

PM-04 H-02 PA-02 PRS-01 SP-02 SS-15 USIA-15 /116 R

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EUR/CAN - D. KRUSE
ERDA - P. BRUSH
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P 172259Z DEC 75
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA PRIORITY

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E.O. 11652: N/A

TAGS: TECH, CA

SUBJECT: EXCHANGE OF NOTES FOR CANADIAN URANIUM

REF: SIMPKINS/HUDSON TELECON, DEC 17, L975

1. FOLLOWING IS TEXT OF US NOTE:

THE EMBASSY OF THE UNITED STATES PRESENTS ITS COMPLIMENTS TO THE DEPARTMENT OF EXTERNAL AFFAIRS AND HAS THE HONOR TO REFER TO DISCUSSIONS WHICH HAVE TAKEN PLACE OVER THE PAST SEVERAL MONTHS CONCERNING ARRANGEMENTS UNDER WHICH CANADIAN-ORIGIN NATURAL URANIUM IMPORTED INTO THE UNITED STATES FOR ENRICHMENT AND SUBSEQUENT USE BY OUR UTILITIES IN THE NUCLEAR FUEL CYCLE COULD BE BROUGHT UNDER MUTUALLY ACCEPTABLE PEACEFUL USE GUARANTEES AND SAFEGUARDS. ALTHOUGH BOTH GOVERNMENTS FULLY SUPPORT SUCH GUARANTEES
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AND SAFEGUARDS IN PRINCIPLE, THERE HAS BEEN SOME DIFFICULTY

IN WORKING OUT THE SPECIFIC, DETAILED ARRANGEMENTS.
CURRENTLY, THE GOVERNMENT OF CANADA HAS THE MOST RECENT
UNITED STATES PROPOSAL UNDER CONSIDERATION.

AT PRESENT THERE ARE AT LEAST TWO U.S. UTILITIES WHICH
HAVE STRONG INCENTIVES FOR OBTAINING CANADIAN NATURAL
URANIUM EXPORT PERMITS PRIOR TO THE END OF THIS YEAR, AND

THE U.S. DEPARTMENT OF STATE HAS ADVISED THESE UTILITIES
THAT IT WILL DO EVERYTHING POSSIBLE TO ASSIST IN THIS
REGARD. IN ORDER TO RESOLVE THE GUARANTEES AND SAFEGUARDS
ISSUE, WHICH THE GOVERNMENT OF CANADA HAS INDICATED IS A
CONDITION PRECEDENT TO ISSUANCE OF THE EXPORT PERMIT, THE
UNITED STATES GOVERNMENT IS PREPARED TO ADOPT THE FOLLOW-
ING INTERIM PROCEDURE.

UNTIL SUCH TIME AS THE GOVERNMENTS OF THE UNITED
STATES AND CANADA HAVE ESTABLISHED A MUTUALLY ACCEPTABLE
PROCEDURE OR UNTIL THE SAFEGUARDS REGIME ESTABLISHED
PURSUANT TO AN AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED STATES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY
FOR THE APPLICATION OF SAFEGUARDS IN THE UNITED STATES
HAS BROUGHT INTO FORCE, WHICHEVER OCCURS EARLIER:

1. THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WILL BE PREPARED TO HOLD AT ITS FACILITIES CANADIAN-
ORIGIN NATURAL URANIUM IMPORTED FOR USE IN THE FUEL CYCLE
OF U.S. DOMESTIC POWER REACTORS. PRIOR TO IMPORTATION,
THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION WILL
INFORM THE ATOMIC ENERGY CONTROL BOARD OF CANADA THAT
APPROPRIATE ARRANGEMENTS HAVE BEEN MADE WITH UNITED STATES
UTILITIES TO PERMIT IT TO IMPLEMENT THE PREVIOUS SENTENCE.

2. THE UNITED STATES GOVERNMENT GUARANTEES THAT SUCH
NATURAL URANIUM SHALL NOT BE USED FOR THE DEVELOPMENT,
MANUFACTURE OR DETONATION OF ANY NUCLEAR WEAPON OR OTHER
NUCLEAR EXPLOSIVE DEVICE.

3. THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WILL NOT TRANSFER SUCH NATURAL URANIUM FROM ITS
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FACILITIES WITHOUT THE EXPRESS CONSENT OF THE ATOMIC
ENERGY CONTROL BOARD OF CANADA.

4. ARRANGEMENTS OF A MUTUALLY SATISFACTORY NATURE WILL
BE MADE BETWEEN THE ATOMIC ENERGY CONTROL BOARD OF
CANADA AND THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRA-
TION TO ENSURE COMPLIANCE WITH THE FOREGOING GUARANTEES.

TO FACILITATE IMPLEMENTATION OF THIS AGREEMENT, THE
ATOMIC ENERGY CONTROL BOARD WILL ADVISE THE ENERGY
RESEARCH AND DEVELOPMENT ADMINISTRATION PRIOR TO THE
IMPORT INTO THE UNITED STATES OF NATURAL URANIUM SUBJECT
TO THIS INTERIM AGREEMENT.

IF THE ABOVE PROPOSAL IS AGREEABLE TO YOUR GOVERNMENT,
THIS INTERIM AGREEMENT SHALL ENTER INTO FORCE UPON RECEIPT
BY THE EMBASSY OF WRITTEN NOTIFICATION TO THAT EFFECT.
THE AGREEMENT SHALL REMAIN IN FORCE UNTIL IT TERMINATES
IN ACCORDANCE WITH ITS PROVISIONS, OR FOR TWO YEARS,
WHICHEVER IS EARLIER.

2. DEPT WILL AUTHORIZE DELIVERY OF NOTE VIA SEPTTEL
IMMEDIATELY UPON CIRCULAR 175 APPROVAL. INGERSOLL

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